

Message Text

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67

ACTION SS-30

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /031 W

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O 232058Z NOV 73

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC IMMEDIATE 1854

INFO AMEMBASSY LONDON IMMEDIATE

AMEMBASSY TEHRAN IMMEDIATE

AMEMBASSY LAGOS IMMEDIATE

C O N F I D E N T I A L CARACAS 9998

EXDIS

EO 11652: XGDS-3

TAGS: ENRG

SUBJECT: SHELL PROPOSAL FOR "CRISIS SURCHARGE" ON NIGERIAN
CRUDE SALE

REF: LONDON 13714

1. ALTHOUGH WE UNDERSTAND ANXIETY OF SHELL INTERNATIONAL, WE DO NOT REPEAT NOT REGARD IT AS A "NATURAL FIRST APPROACH TO VENEZUELAN" THAT SHOULD BE MADE BY THE US. IF SHELL IS SO INTERESTED IN THIS CONCEPT, WHY DOES NOT SHELL ITSELF (WHICH IS THE SECOND LARGES PRODUCER IN VENEZUELA AND WHOSE POLITICAL ADVISOR GIACOPINI IS PARTICULARLY CLOSE TO PRESIDENT CALDERA) UNDERTAKE SUCH A SUGGESTED DEMARCHE?

2. IT MIGHT ALSO OCCUR TO HMG THAT THEY COULD TALK WITH VENEZUELAN AMBASSADOR IN LONDON WHO FOR YEARS WAS VENEZUELA'S OIL EXPERT IN WASHINGTON; AND FOR THAT MATTER IF DEPARTMENT IS INTERESTED IN THIS PROPOSAL IT MIGHT ALSO CALL IN VENEZUELAN AMBASSADOR AGUILAR.

3. MINISTER OF MINES AND HYDROCARBONS PEREZ LA SALVIA RETURNS FROM OPEC MEETING OVER THIS WEEKEND. (CARACAS 9973)
PRESIDENT CALDERA HAS AGAIN REITERATED INTENTION OF HIS GOVERNMENT TO CONTINUE PRODUCTION AT CURRENT LEVELS. THERE IS A FAIRLY LIVELY
CONFIDENTIAL

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POLITICAL DEBATE GOING ON IN VENEZUELA AS TO WHETHER OR NOT VENEZUELA SHOULD CURTAIL PRODUCTION BECAUSE INCREASED PRICES WOULD MORE THAN MAKE UP FOR ANY REDUCTION IN VOLUME. AS SEEN FROM HERE, IF WE SHOULD START TO POLE UP MINISTER OF MINES RE NEXT MONTH'S TAX

REFERENCE VALUES, WE MIGHT INDEED PRECIPITATE A DECISION ADVERSE
TO OUR INTEREST IN TERMS OF PRICE OR PRODUCTION OR BOTH.

4. IN CONCLUSION, OUR RECOMMENDATION IS THAT IF ANYONE WANTS
TO ENTER THIS SHELL GAME IN VENEZUELA IT BE SHELL.
MCCLINTOCK

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<< END OF DOCUMENT >>

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